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Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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Iranian Goals and Activities in Latin America

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Summary

Iran is cultivating ties with Latin American countries in order to develop trade, purchase arms, and improve Iran's standing in the third world. Iran has publicized its relations with Nicaragua and Cuba to show Tehran's solidarity with leading anti-US regimes. Over the long run, Iran's major interests in Latin America probably lie with Brazil and Argentina, which have the potential to become major trade partners. Although Iran has been unsuccessful so far in acquiring arms in Latin America, Tehran continues to send arms delegations to the region.

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The Khomeini regime appears to be making only small-scale efforts to export its revolutionary ideas to Latin American Muslim communities.

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we have seen no direct evidence that Iran is planning terrorism against US interests in Latin America.

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This memorandum was prepared by [] Persian Gulf Division, Office of Near Eastern and South Asian Analysis. Questions and queries are welcome and may be directed to the Chief, Persian Gulf Division []

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Nicaragua and Cuba: Solidarity Against the United States

Tehran has given Nicaragua and Cuba strong rhetorical support since the Islamic Revolution in 1979, stressing their shared anti-US attitudes, but ties have been limited. Visits by high level Iranian officials--such as Foreign Minister Velayati's trip to Havana and Managua in October 1987--have been largely symbolic, intended to demonstrate that Tehran is not politically isolated.

Both Cuba and Nicaragua have resisted Iranian efforts to gain their support for Iran's position in its war with Iraq, preferring to remain neutral. Cuban offers to act as a mediator in the war have irritated Iranian leaders.

Iran's trade with both countries remains small. In 1983 and 1984 Iran supplied Managua with two million barrels of oil as part of a \$57 million credit arrangement that allowed Nicaragua two years to pay. Managua apparently has not repayed the loan, and economic discussions this year about oil-barter arrangements have not borne fruit. Iran and Cuba signed an economic memorandum of understanding earlier this year, but it was mainly window-dressing.

There is no evidence Iran is participating with either Cuba or Nicaragua in subversive activity in Latin America.

Argentina and Brazil: Trade Partners

Iran has developed important trade relations with Argentina and Brazil. Argentina

has become Iran's major third world food supplier, providing Iran over one million metric tons of grain annually. Brazil sells Iran manufactured goods, valued in 1986 at about \$180 million, and imports oil from Iran in barter for part of that amount. Argentina also is participating in an international consortium of companies that have agreed to finish construction of Iran's Bushehr nuclear power plant.

Looking for Weapons

Iran's efforts to acquire arms from Latin American countries have had little success. Argentina sold Iran about \$30 million worth of artillery ammunition in 1987, but dropped a plan to sell Iran two destroyers in 1984 because of US pressure. Brazil has rebuffed Iranian efforts to conclude a major arms purchase because the Brazilians are afraid to jeopardize their strong trade in arms and oil with Iraq, one Iranian arms deal literally blew up in Iran's face when 500 cluster bombs purchased from Chile in 1986 proved to be defective and exploded during tests.

Exporting the Revolution

Iran apparently is making only limited efforts to build contacts and proselytize among Muslim communities in Latin America. The following examples are representative of the small-scale and sporadic nature of Iranian activity:

- **Guyana.** Some pro-Iranian Shias here receive Islamic literature and possibly limited funding from Iran. Some of the groups' members have gone to Iran for religious and paramilitary training.
- **Colombia.** Iran has close contacts with the Shia community in Maicao, which consists largely of wealthy merchants.

- **Brazil.** Iran and Libya were planning to hold an Islamic Conference there in November to bring together Shia and Sunni religious officials in the region. Brazilian officials warned Iran that Brazil would not tolerate political activities against countries--such as Iraq and Saudi Arabia--with which it maintains good relations and were assured that the conference would only deal with religious matters.

Outlook

Iranian ties to Cuba and Nicaragua provide a relatively cheap way for Tehran to enhance its standing in the developing countries, garner support in the United Nations and cause trouble for the United States. Tehran may still harbour hopes of establishing a formal anti-US coalition that would cooperate in international institutions. The Khomeini regime is unlikely to

expand ties with Havana and Managua much beyond what they are now, however, because of the limited potential for economic cooperation and the incompatibility between secular Marxism and Islam. [REDACTED]

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Over the long term Brazil and Argentina are more important for Iran because of their status as major third world, nonaligned regimes and because of the potential for expanded trade between them and Tehran. Both countries see Iran as a lucrative economic market over the long term. [REDACTED]

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[REDACTED] Iran probably hopes that economic problems in Brazil and Argentina will lead them to increase arms sales to Iran, or at least turn a blind eye to sales by their weapons manufacturers. [REDACTED]

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MUSLIM POPULATIONS IN LATIN AMERICA AND THE CARIBBEAN

COUNTRY	NUMBER OF MUSLIMS	TYPE OF MUSLIMS
Guyana	120,000 (9% of population)	mainly Sunni Muslims of East Indian origin
Suriname	100,000 (23% of population, highest percentage in Western Hemisphere)	mainly Sunni Muslims of East Indian and Javanese origin
Trinidad/Tobago	100,000 (8% of population)	mainly Sunni Muslims of East Indian and African origin
Venezuela	50,000 (under 1% of population)	recent Arab immigrants
Colombia	small community in Maicao	Shia of Lebanese origin
Brazil & Argentina	very small communities, exact size unknown	

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